



Vision for Broadband Recovery

January 26, 2010

House Select Committee On High
Speed Internet Access in Rural and
Urban Areas

Since we last talked

- Broadband Recovery Program
- MCNC asked to coordinate and fund middle mile application
- Public/Private partnership
- Invested Over \$300K of MCNC funds

Vision

- Broadband working group
- Individual meetings
- State Technology Entities
 - Office of Economic Recovery
 - NC Office of Information Technology Services
 - eNC Authority
 - MCNC
- Golden LEAF

Key Factors

- National leader in private/public technology partnership
 - ITS
 - NCIH
 - NCREN
 - eNC
- Economic Vitality and Social needs
 - North Carolina economy is fragile
 - Workforce preparation for digital age
 - Global competition/Off-shoring
 - Rural population
 - Citizen health
- Broadband
 - Foundational Infrastructure for transition to digital age
 - Accelerate progress with broadband stimulus

Strategy

- Comprehensive assessment of need
- Increase uptake where infrastructure is in place
- Expand Public Middle Mile options to rural areas
 - Service education
 - Investment from Private Sector Providers
- Local and Regional Innovation to reach the last mile

Benefits to local areas

- Mapping – Defines Need
- Increase uptake-More incentive to deploy
- Middle mile-
 - Less Costly Middle Mile=More competition in last mile
 - More robust connectivity for Community Anchor Institutions (Schools, Libraries, Government and Non-profit healthcare) at stable prices
- Last mile – More competition incumbents and CLECs

Assessment of Need

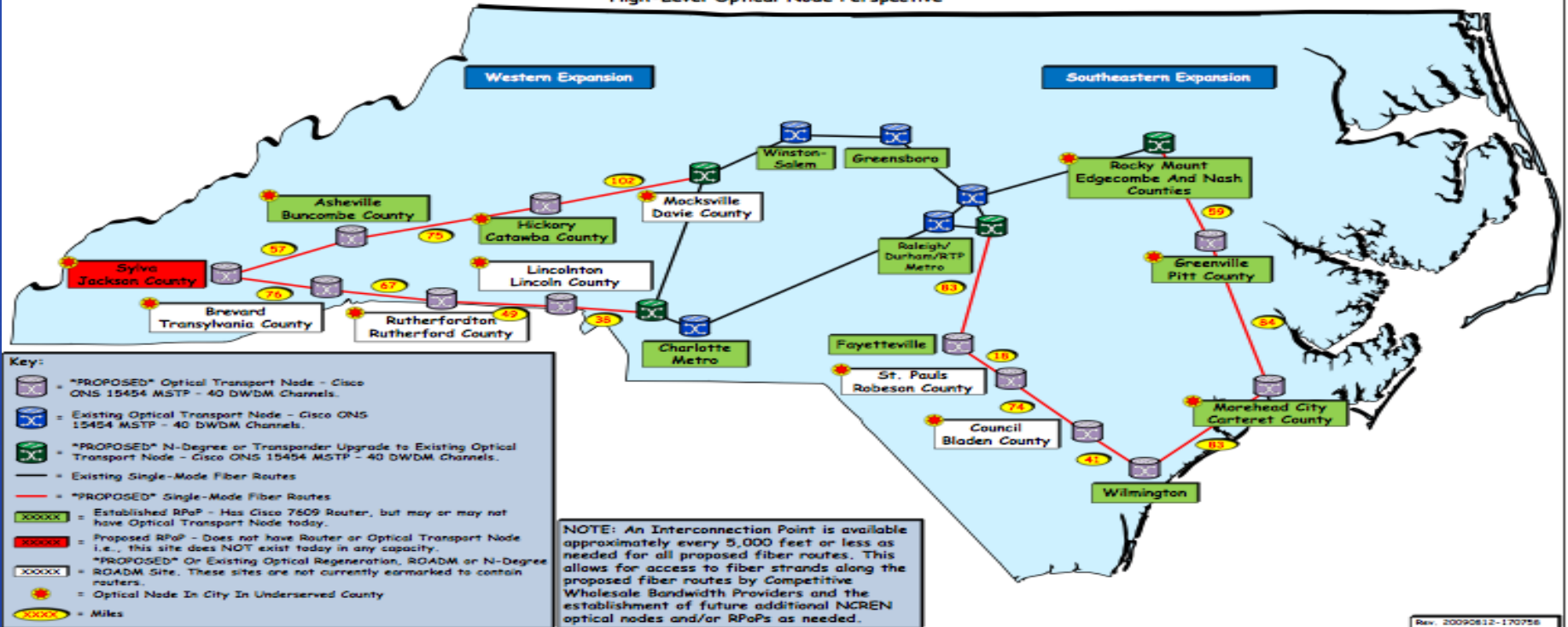
- Multi-Modal Mapping
 - Web Analysis Tools
 - Boots on the Ground
 - Block by Block Census of Households
 - Predictive GIS
 - Connected Nation and eNC
- Effort led by eNC
- Received award of \$2.3M in October 2009
- MCNC can attest to need after stimulus application

Middle Mile Process

- ITS and MCNC Backbone
 - Limited to serving Education, Government Agencies and Supporting Government Services
- Build-out fiber in rural areas with private partners
 - Providers have consistently said middle mile fiber is not available for lease in these areas
 - Gave providers 90 days to partner with MCNC – FRC/PalmettoNet did
 - Need to build middle mile to keep prices stable for education
- Private portion used for consumer/commercial services
 - Other Stimulus Projects in Energy and Healthcare
- MCNC Provided Matching Funds for Public build

Middle Mile Span

Diagram 2 of 5 - NCREN Optical Network Expansion To Underserved Areas Of North Carolina
High-Level Optical Node Perspective

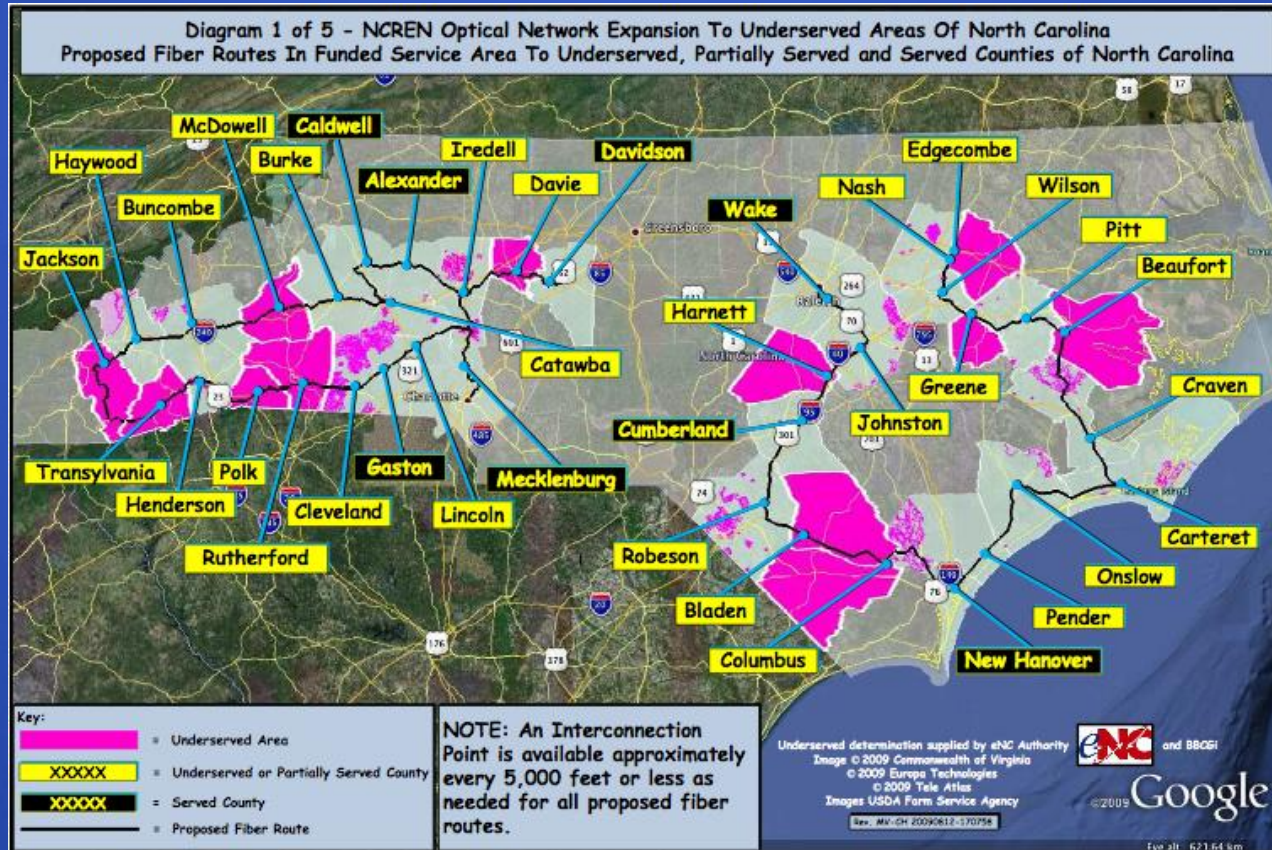


Middle Mile Build

Underserved

Total:

Beaufort
Bladen
Columbus
Davie
Edgecombe
Greene
Harnett
Jackson
McDowell
Polk
Rutherford
Transylvania



Underserved

Partial:


Carteret
Craven
Johnston
Onslow
Pender
Roberson
Buncombe
Catawba
Cleveland
Haywood
Iredell
Lincoln

Update

- Application filed 8/17 (due 8/20) for first round
 - Existing mapping data was not adequate
 - Spent about \$50K of MCNC funds to get better data
 - Ranked #1 by the state
 - Congressional delegation issued strong support statement
- Private partner put up equal match to MCNC
 - Opened the process to all Service Providers
 - Kept them briefed throughout
- Received 31 pages of Private Sector Objections (11/11)
 - Some just supply wireless 3G @ \$60 month
 - MCNC application reduces middle mile costs
 - NTIA leaders – “Service provider objections not a sole determining factor in awards”
 - Over 80% of proposals like MCNC’s got objections

Update

- 1/20/10 – MCNC APPLICATION ON BEHALF OF THE STATE OF NC Awarded \$28.2M



The screenshot shows the official website of the Office of Governor Bev Perdue, State of North Carolina. The header features a portrait of Governor Perdue on the left and the site's title on the right. Below the title is a search bar and a newsletter sign-up form. A central banner includes the text "FIND BEV ON" with social media icons for YouTube, Facebook, MySpace, Twitter, and RSS. A vertical menu on the right lists various site sections. The main content area displays a "Press Release" dated 1/20/2010, detailing the awarding of \$28.2 million in broadband funding to MCNC for a fiber-optic network.

Office of Governor Bev Perdue
STATE OF NORTH CAROLINA

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1/20/2010 Raleigh Contact: Chrissy Pearson (919) 733-5612

Gov. Perdue Announces North Carolina Receives \$28.2 Million in Broadband Recovery Funding

New 480-mile fiber-optic network will create more than 230 jobs

Gov. Perdue today announced that MCNC has received \$28.2 million in broadband funding through the American Recovery and Reinvestment Act (ARRA) to build a 480-mile fiber-optic network for the North Carolina Research and Education Network (NCREN). The design, construction and operation of the network are estimated to create more than 230 engineering and construction jobs. In addition, the network has the potential to serve more than 1,500 school and community institutions, 180,000 businesses and more than 300,000 underserved families.

What they are saying:

- "MCNC is doing a great public service through their efforts to help bridge the digital divide among our communities," Rep. David Price said. "MCNC's project ensures that North Carolina's broadband infrastructure will remain a strong foundation for the state's 21st century economy by enhancing the state's capacity for collaborative research, development, education, and innovation. It also provides further evidence that the Recovery Act is meeting the needs of American families ." *North Carolina Congressman David Price*
- "What an incredible victory this is for the citizens of North Carolina! I am grateful that our work over the last year will ensure that dedicated money is available for broadband expansion and improvement in this country. Now, North Carolinians are going to see their tax dollars come home to work for them. Broadband can be the great equalizer in business, education, and healthcare. I commend MCNC for putting forward such a strong application. " *North Carolina Congressman Mike McIntyre*
- "This grant will help keep our rural communities in North Carolina vibrant," said Hagan. "Small businesses, workers, students and families will all benefit from increased access to broadband technology. Today's grant is a perfect example of how the Recovery Act is investing in our communities to modernize infrastructure and create jobs. In particular, I am thrilled to see that this money will connect all of North Carolina's 58 community colleges, community health centers and public computer centers – giving them the 21st century tools they need to better educate our students and allow our communities to grow and thrive." *North Carolina Senator Kay R. Hagan*
- "This is terrific. It will make a substantial difference in the economic future of NC." *Erskine B. Bowles, President, University of North Carolina System*
- Congratulations on this fabulous news!
Jennifer Weiss, NC House 35

Recommendations

- Stop dealing from scarcity – Public/Private middle mile
- Use longer term subsidies
 - Bertie County
 - Life line link up
- Aggressive plan for round 2 stimulus
 - Market fibers at $\frac{1}{2}$ to $\frac{1}{4}$ the price of existing middle mile
 - Seed applications off the middle mile
 - Focus on areas of the state still underserved
 - Northeast
 - Charlotte to Wilmington
 - Northwest
 - North Central

Round 2

